



AUTHORIZATION TO PROCEED WITH THE APPLICATION PROCESS FOR THE EMMETT STREET PROJECT UTILIZING TRANSFER OF ASSISTANCE FROM JULIA LATHROP HOMES UNDER THE RENTAL ASSISTANCE DEMONSTRATION PROGRAM.

Development	Address	Alderman / Ward	Community Area
Emmett Street Project	2602-2638 N. Emmett St. (SWC of N. Kedzie Ave. & N. Emmett St.)	Carlos Ramirez-Rosa, 35 th Ward	Logan Square

Presenters: Eric Garrett, Chief Property Officer
Jewell Walton, Deputy Chief, RAD Programming

Recommendation

The Chief Executive Officer (CEO) recommends that the Board of Commissioners of the Chicago Housing Authority (CHA) authorize CHA staff to proceed with the application process for the Emmett Street Project under the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. The RAD application for the Emmett Street Project will request that RAD Transfer of Assistance from Julia Lathrop Homes (Lathrop Homes) be applied to 50 Project-Based Voucher (PBV) units at the property. The RAD PBV assistance will allow for flexibility to leverage financing for property development costs upfront and for future improvements as needs arise.

The requested action complies in all material respects with all applicable federal, state and local laws, and Chicago Housing Authority board policies. Staff have completed all necessary due diligence to support the submission of this initiative.

Property Summary

Development Name (<i>New RAD Applications</i>)	Address	Developer / Owner	Target Population	Public Housing Units	Total Units
Emmett Street Project	2602-2638 N. Emmett St.	Bickerdiike Redevelopment Corporation	Family	50	100

Background and Approach

In 2012, Congress authorized the RAD program. RAD provides an opportunity for housing authorities to utilize either project-based voucher (PBV) or project-based rental assistance (PBRA) contracts to stabilize funding for originally up to 60,000 units of public housing nationwide; over the years, the unit cap was raised to 455,000 units. A primary goal of RAD is to use long-term contracts to leverage private financing for capital improvements while preserving affordability.

Receiving a RAD portfolio award in June 2015, CHA continues to progress with transitioning more than 10,000 units to Project-Based Voucher (PBV) units under the RAD program. To date, CHA has converted more than 5,000 units to PBV subsidy. CHA plans to submit a formal RAD application to HUD for Emmett Street that will be included as part of the larger portfolio award CHA received.

A key component of the RAD program that is applicable to the requested approval outlined herein is the permission to transfer subsidy from one property to another. The HUD-authored RAD Notice (PIH-2012-32 (HA) H-2017-03, REV-3) allows for “Transfer of Assistance”, where a Public Housing Agency (PHA) may partially or fully transfer PBV subsidy from a “Converting Project” to a “Covered Project.” Transfer of Assistance approvals are ultimately determined by HUD.

The 924 units that once stood at Lathrop Homes will be redeveloped to include 400 on-site RAD PBV units for CHA eligible residents after the completion of multiple construction phases. CHA is seeking to identify replacement housing opportunities for the other 524 units on the north side of Chicago to subsidize with RAD PBV assistance transferred from Lathrop Homes. The CHA Board of Commissioners (BOC) has previously approved this transfer of assistance option from Lathrop Homes to several development projects, including but not limited to Concord at Sheridan (6418 N. Sheridan), Northtown Apartments (6800 N. Western), Independence Apartments (4022 N. Elston), and Oso Apartments (3441 W. Montrose). By this action, CHA seeks to add the following property for transfer of assistance:

Property Profile: Emmett Street Project

- The Emmett Street Project will be a mixed-finance, mixed-use property in the Logan Square community area of Chicago. The redevelopment site is a City-owned parking lot directly north of the Logan Square Blue Line station (the project is formally known as the Logan Square TOD project). The property is currently planned to contain 4,500 square feet of ground floor commercial space with a total of 100 residential units, including 50 RAD PBV units and 50 LIHTC units.
- Bickerdike Redevelopment Corporation will acquire the 41,200-square foot lot from the City of Chicago for \$1; Bickerdike will develop and own the project.
- Post completion, Emmett Street is currently planned to contain 16 one-bedroom units; 25 two-bedroom units; and 9 three-bedroom units for CHA families.

- The project development costs are currently projected to be \$31 million. Low Income Housing Tax Credits (LIHTC), Tax Increment Financing (TIF), and other layered financing resources are anticipated to be assembled as the project's sources of funds. A financing plan will be brought before the Board of Commissioners at a later date, once plans are solidified.

Respectfully Submitted:

Eric Garrett
Chief Property Officer

RESOLUTION NO. 2019-CHA-

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated September 17, 2019 requesting “Authorization to Proceed with the Application Process for the Emmett Street Project utilizing Transfer of Assistance from Julia Lathrop Homes under the Rental Assistance Demonstration Program”.

THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to proceed with the application process for the Emmett Street Project utilizing Transfer of Assistance from Julia Lathrop Homes under the Rental Assistance Demonstration program and execute and deliver such documents and perform such actions as may be necessary or appropriate to implement the foregoing.

James L. Bebley
Acting Chief Executive Officer
Chicago Housing Authority